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OPINION

Yugoslavia: Before Sending Troops, Marshal the Arguments

By Henry Kissinger

NEW YORK — It seems only yesterday that conventional wisdom was declaring nationalism "outdated," the integration of nations inevitable, and another European war inconceivable. Yet all these impossibilities are taking place in Yugoslavia.

The foreign policy of every Western democracy lacks attention of thought for dealing with it inconceivable. The standard American debate between giving priority to security and emphasizing human rights do not really fit the situation in Yugoslavia.

Security would require military intervention if inaction set a precedent that adversely affected long-term American interests, or if it would weaken American security directly. Neither condition is met in Yugoslavia.

Precedent applies mostly to regions like the former Soviet Union or Africa, where the West has no intention or capacity to intervene militarily. As for traditional security, no NATO nation feels itself threatened enough by events within Yugoslavia to be willing to undertake ground action here. They may, however, discover a common interest in limited and precise intervention in situations like Kosovo, populated by Albanian Muslims, when the conflict, if it breaks out, could become international.

I have great sympathy for the proposition that the consciences of democratic societies require some stand regarding the Bosnian brutality. But implementation requires careful analysis. Three conceivable goals exist: 1) imposing peace and restoring the pre-civil war borders (each republic); 2) putting an end to human rights abuses, especially "ethnic cleansing"; 3) preventing a new round of hostilities in such areas as Kosovo that could lead to international war.

The restoration of prewar borders would require a large expeditionary force prepared to remain indefinitely and to accept serious casualties. No nation capable of affecting Serbian calculations is prepared to undertake this.

Putting an end to "ethnic cleansing" and concentration camps should be the moral objective, preventing an escalation of terrorism beyond the borders of Yugoslavia to the political goal. This task is difficult enough under the best of circumstances. Up to now, the democracies' failure to understand the special conditions of Yugoslavia has enabled the Serbian leaders to create one fait accompli after another.

Yugoslavia has always been a largely artificial entity, united only by a super-imposed common language and by the reciprocal hatred of its ethnic groups.

When Nazi Germany brought pressure on Yugoslavia in 1940 to facilitate the German invasion of Greece, the largely Serbian general staff revolted in refusal. The Nazis took a terrible revenge, defeating Yugoslavia in less than a week, while much of the population of Croatia greeted the Germans as liberators. But the Nazis had to pay the traditional price of foreign invaders of Serbia — 35 German divisions failed to subdue the resulting guerrilla war. After the war, Tito's forces

took a terrible revenge on German collaborators and non-Communist opponents, killing tens of thousands. After that blood bath, there was the peace of exhaustion and of the widespread fear of Tito's secret police. After Tito's death in 1980, the Yugoslav state, lacking his totalitarian personality and facing the weakening of Communist ideology and of the unifying Soviet threat, began to disintegrate.

None of the Western democracies grasped what history had made inevitable — a civil war in this enlightened age of supranationalism. Had they believed it possible for history to repeat itself so cruelly, the West

driving out the indigenous population. The UN cease-fire, negotiated with vast skill by Cyrus Vance, nevertheless had the practical effect of confirming Serbia's conquest. Though theoretically entitled to do so, no Croat would return to territory technically UN-controlled but in fact still dominated by Serbs.

But Mr. Vance's remarkable negotiation saved thousands of lives and, perhaps more crucially for the future, established a vital precedent. The limit of UN control has established a dividing line across which further Serbian advances can be resisted by the international community if the will for it exists. In short, some political demarcation in Bosnia and elsewhere is the precondition for outside intervention, political or otherwise.

All this was but a prelude to the nightmare awaiting in Bosnia-Herzegovina. Having delayed too long to recognize Croatia and Slovenia, thereby creating a gray area for Serbian intervention, the international community now rushed to the recognition of Bosnia-Herzegovina. But Croatia and Slovenia were ethnically definable territories; recognizing them — even after the Serbian invasion — created a precondition for demarcation lines along ethnic boundaries.

Bosnian nationalism, on the other hand, was the invention of international lawyers. The republic is an ethnic potpourri. After the Croatian experience, it should have been predictable that recognition of Bosnia would trigger another round of Greater Serbian "ethnic cleansing." And the Croatian part of the Bosnian population was highly ambivalent. To forestall Serbian occupation of all of Bosnia, it formally supported independence. In fact, it preferred partition between Serbs and Croats, leaving a small Muslim enclave.

Tripartite partition was never seriously considered, allegedly because the populations were too mixed together. But the proclamation of Bosnian independence produced the anomaly that the international community was inviting Croats and Serbs, who had just refused to live together in relatively large Yugoslavia, to live together in tiny Bosnia, along with the Muslims, yet another unassimilable minority. Civil war was inevitable.

In retrospect, a determined international community should have tried, before recognition, to establish a UN trusteeship for Bosnia. A checkerboard cantonment arrangement might have been sought with large areas of self-government for the various communities. Such an arrangement could have established ground rules in the name of which "ethnic cleansing" might have been resisted. Possibly the various nationalities would have been more willing to coexist if the issue of ultimate sovereignty had been left in abeyance.

But there was a missing ingredient: the pressures the international community would be prepared to employ. Periodically, the warring Yugoslav parties are called to meet in international forums — now by the European Community, now by the United Nations. Nothing has ever come of these meetings

because Slobodan Milosevic, the Serbian president, knows there are no penalties for noncompliance. The new negotiation between the parties conducted by Mr. Vance and David Owen, former British foreign secretary, has the best conceivable leadership. But the problem must not be dumped on the shoulders of the negotiators and even less on the intractable parties. Those nations willing to act, be they UN, NATO or EC members, should put forward a political program. If they are unwilling to do this much, there is no basis for any serious negotiation, let alone for military intervention.

The program for Bosnia should have three components: UN trusteeship, cantonization and placing all detention camps, of whatever party, under immediate international supervision. Since these goals will never be accomplished without pressure, the cooperating nations should give a deadline, say 30 days, after which they would lift their arms embargo against any former Yugoslav republic cooperating with their proposal, including Bosnia. Simultaneously, the economic sanctions against Serbia should be tightened. Severe economic penalties should be organized against those of Serbia's neighbors helping it to evade UN sanctions. Nothing less will convince the parties that the outside world means business.

There is much idle talk about military intervention in Bosnia. There is next to no basis for it. Within Bosnia the actual

major ground force would be required. Every NATO leader, without exception, has assessed ground operations as being too costly. Nor has any outsider ever managed fully to conquer the area, especially once Serbia was militarily involved. What is most needed is a coherent program to multiply political and economic pressures, and to increase the cost to Serbia of continued warfare by removing the arms embargo against victims of Serbian aggression.

There exists, however, a danger not yet overtaken by events for which the preparation of some military response seems essential. The democracies must not miss the boat a third time in areas where "ethnic cleansing" has not yet begun. Kosovo is the most critical. It is perceived by Serbia as the origin of its national and poetic history, though its inhabitants today are mostly Albanian Muslims.

If "ethnic cleansing" were to start in Kosovo, the risks of its becoming international would be grave. Albania has a common border with its compatriots in Kosovo. Turkey is not likely to permit another round of "ethnic cleansing" of Muslims without injecting military assistance. Bulgaria and Greece could become involved, as in previous Balkan wars. Serbia must be given to understand that the world will not tolerate a Balkan war over Kosovo, and that an attempt to repeat the pattern of Croatia and Bosnia will make international retaliation against Serbia itself unavoidable. The

only way such a threat will be believed is if the United Nations insists on an autonomous status for Kosovo and organizes a joint air and naval command charged with developing rules of engagement and command structures. But if we want to avoid being faced down again, it is important that a coherent strategy be developed first. The haphazard routine of ad hoc conferences needs to be replaced; military measures

— if used at all — must be related to agreed political principles. It is dangerous to talk of one-shot bombing raids or of attacking specific targets like bridges or munitions plants unless one knows how far one will go. Otherwise, one runs a grave risk of fulfilling Bismarck's warning: "Woe to the statesman whose arguments at the end of a war are not as persuasive as they were at the beginning."

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'Born Bad'? Seeking the Mysterious Fork in the Road

By Anna Quindlen

TO THIS day, I have no idea what I did for my two boys that was constructive and useful and right and good, and what damaged them, none." — Beverly Lowry, "Crossed Over."

On the morning of June 13, 1983, Karla Faye Tucker, age 23, helped murder two people. There was a pickax involved. That is what people in Texas

remember, that the bodies of Deborah Ruth Thornton and Jerry Lynn Dean were full of pickax holes. That, and the fact that Karla Faye said she got sexual satisfaction every time she swung the pickax. It is not the kind of detail you forget.

Karla Faye is on death row now, awaiting execution by injection, and she never tries to make excuses for what she did, or to say she didn't do it. The extraordinary book, "Crossed Over," that a novelist named Beverly Lowry has written about the case is not about innocence. It is about redemption, about how one messed up little girl — "a Coper at 8, a needle freak behind heroin by the time she was 11" — went straight. Just in time to die.

There is no mystery, really, in Karla Faye's fall, not when you know her slide. Her mother, a prostitute, passed clients to her sister, who passed them to Karla. "My mother and I were really close," she says. "We used to share drugs like lipstick." In the beginning they were a middle-class family, with a little vacation house and a boat. Somehow it all unraveled.

No, the central conundrum of the book is not Karla Faye but Peter, Ms. Lowry's own child, whose death at age 18 in an unsolved hit-and-run accident somehow led his mother to seek out the pickax murderer. Karla Faye led the kind of life you associate with sleeping on strange sofas and an early berth in the morgue. And Peter had the kind of life you associate with college and marriage and a house with a yard.

But like Karla Faye, like the kids you meet in the projects and some of the kids you meet in private schools, too, Peter crossed over and started to go bad. Not bad like Karla Faye, turning tricks in a motel in West Texas a week of every month and skin-popping because she liked the feel of the needle going in. Just bad enough so that his mother thought that "maybe there is such a thing as born bad." Just bad enough so that she began to turn over, like a lemon drop sour in her mouth, a parent's deepest fear — that success is random, that we have no idea what we do that works and what does not.

I met a woman in a guns-and-drugs housing project once who told me her son was a sophomore in college. "How did you do it?" I asked, and she shrugged. "I got another one upstate," she answered. One in college, one in prison. The luck of the draw. On death row Karla Faye was clean for the first time since she was a little girl: no heroin, no acid, no pills. She found God, took up aerobics and crocheting.

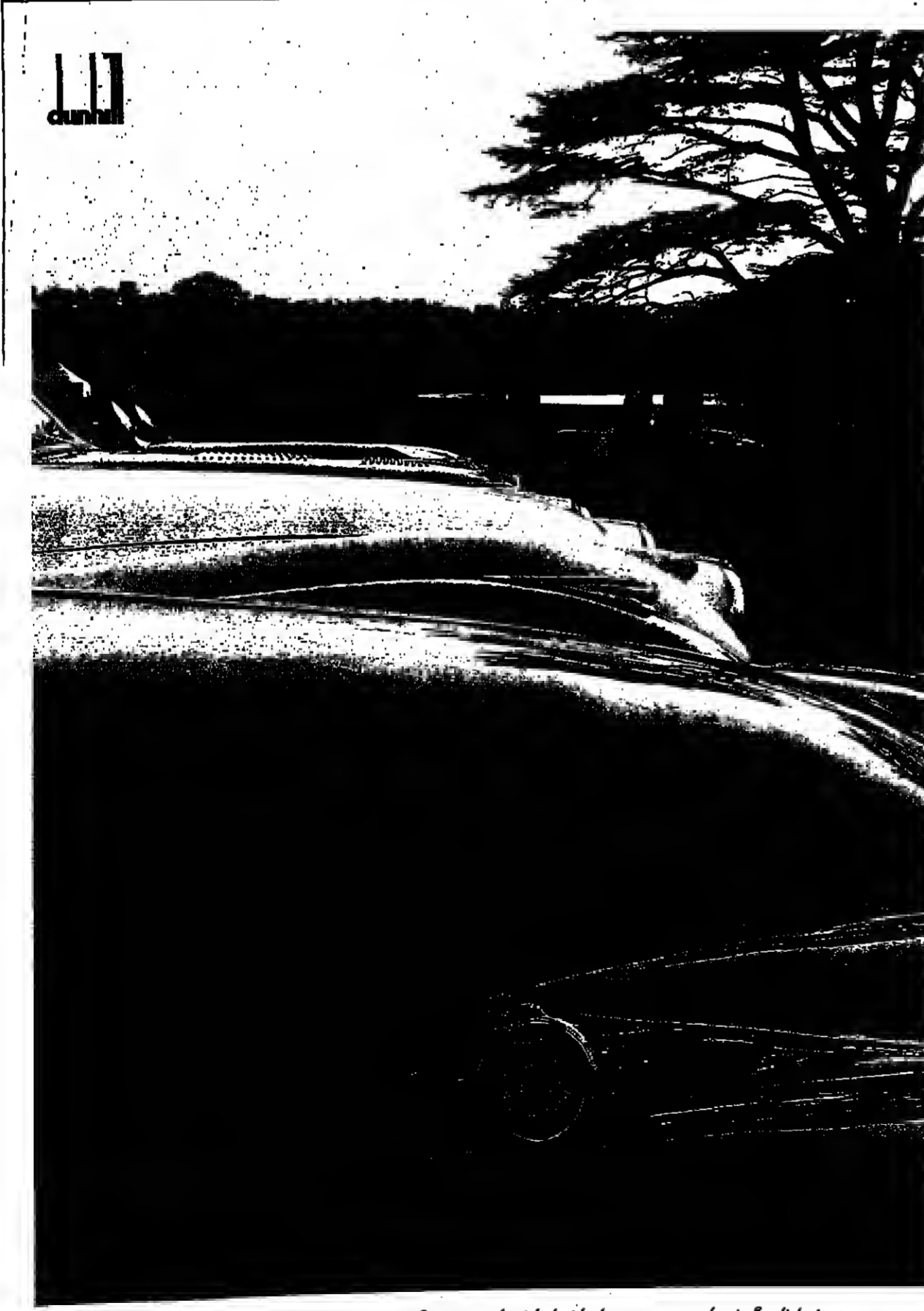
got her high school diploma and began college correspondence courses. "I wondered if you had to go to jail to get calm again," writes Ms. Lowry. From darkness to hope, she says. And implied are her memories of Peter: from hope to darkness.

The prosecutor who once considered Karla Faye Tucker the "personification of evil" says she is a new person, lovable, valuable. Even the brother of one of the victims says he hopes she does not die. There are two Karla Faye Tuckers in this book. One is foul-mouthed, wild, high as a kite and tough as cowboy boots. The other is sweet, deeply religious, empathetic and open as a cup.

One may die for what the other did. The case is a wonderful argument for the rehabilitative function of prisons, and against the death penalty. But the story of Karla Faye, and of Peter, too, is about something infinitely more important and mysterious — that fork in the road, visible only in hindsight, at which some go south and others go on.

"How would you feel," Karla Faye Tucker asks Ms. Lowry from the other side of the Plexiglas in the visitor's room, "if they found the driver of the truck that killed Peter and there was a trial and he's changed, he's a new person now. See how good he is? How would you feel?" "I don't know," Peter's mother finally replies. "I hope I would be generous. I'd like to think I'd be kind. But I have to tell you, I don't know."

The New York Times.



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Sadako Ogata showing Radovan Karadzic, leader of Bosnia's Serbs, where to sign the safe-flight pact.

## UN Acts to Expel Belgrade Regime

By Paul Lewis

*New York Times Service*  
**UNITED NATIONS, New York** — In an effort to force the Belgrade government to cooperate with efforts to end the civil war in the Balkans, the Security Council has taken the first step toward effectively expelling the truncated Yugoslav state from the General Assembly.

By a vote of 12 to 0, the council ruled that Belgrade's representative cannot continue to sit in the seat of the former Yugoslav federation at the General Assembly session this year, which opened last week. China, India and Zimbabwe abstained. Instead, the federation of Serbia and Montenegro, which still calls itself Yugoslavia, must reapply for UN membership as a new country, as have the other republics that emerged from the disintegration of Yugoslavia.

The council called on the General Assembly to complete Belgrade's expulsion by taking a similar step this week.

This action appears certain to follow.

To be readmitted to the General Assembly, the Belgrade government of President Slobodan Milosevic and Prime Minister Milan Panic must first obtain the approval of the Security Council and then that of the General Assembly.

That procedure means that the United States, Britain and France can use their Security Council vetoes to block Belgrade's return to international legitimacy until they are satisfied that it is cooperating with the peace talks under way in Geneva.

They want Belgrade to end its military support for Serbian irregulars fighting in Bosnia-Herzegovina and halt the Serbs' campaign of "ethnic cleansing," which has helped create more than a million refugees.

The vote represents the first time the Security Council has begun proceedings to suspend a state's participation in the General Assembly because of its refusal to make peace.

## UN Plane Lands in Sarajevo on A Test Flight

*Compiled by Our Staff From Dispatches*  
**SARAJEVO, Bosnia-Herzegovina** — A United Nations plane landed in Sarajevo on Sunday to test conditions for resuming aid flights to the city after a three-week interruption.

Sarajevo was relatively calm Sunday after intensive artillery shelling Saturday.

The United Nations High Commissioner for Refugees, Sadako Ogata, recommended in Geneva on Saturday that flights start again, and a UN spokesman said flights would resume over the next few days if conditions allowed.

The flights were suspended Sept. 3 after an Italian relief plane was shot down, killing its four crewmen.

Officials say there is an urgent need to build up supplies for Sarajevo with the onset of winter now only weeks away.

In Geneva, the leaders of the Serbian, Croatian and Muslim communities in Bosnia-Herzegovina pledged Saturday to protect relief flights.

In Sarajevo on Saturday, Serbian tanks shelled the 20-story parliament building, setting five or six floors ablaze. On Sunday, several people attending a funeral at a cemetery here were wounded when two mortar shells exploded nearby, witnesses said. (APR, Reuters)

## U.S. Contradictions Strain Mideast Ties

By Jackson Diehl

*Washington Post Service*  
**WASHINGTON** — The contrast between U.S. support for military measures against Iraq and American reluctance to use similar force in Yugoslavia is causing strains in Washington's alliances with Turkey, Egypt and other key allies in the Middle East, according to Arab diplomats and U.S. officials.

Turkey and Egypt have complained to the United States at senior levels about what they see as a "double standard." While U.S. warplanes are being used to enforce a "no-fly" zone in southern Iraq for the protection of Shiites there, U.S. officials continue to oppose using Western ground troops to stop aggression by Serbs against Bosnian Muslims, officials say.

Both countries have declined to support actively the recent U.S. military initiative in Iraq, though they were key participants in the international military coalition that drove Iraqi forces out of Kuwait last year.

The Turkish government of Prime Minister Suleyman Demirel has allowed U.S. planes to use its Incirlik air base to protect Kurds in northern Iraq, but it has made clear that it will not allow other operations from the base, either to maintain the new no-fly zone in the south or to attack targets in Baghdad if war starts, diplomats say.

Turkey's foreign minister, Hikmet Cetin, told Turkish radio recently that the West's inaction in Bosnia-Herzegovina was "unacceptable" and made it difficult for him to explain to critics why Turkey should support Western policy on Iraq. President Hosni Mubarak of Egypt also

cited the lack of action in Bosnia in explaining to U.S. and Arab officials why his country would not take an active role in the Iraqi south, diplomatic sources say.

In contrast, both Turkey and Egypt have indicated that they would supply troops for a UN-orchestrated intervention in Bosnia that would go beyond the current mission of delivering and protecting humanitarian supplies.

Diplomats and U.S. officials say other Arab countries, including Saudi Arabia and Jordan, have also pointed out the contrast in U.S. policies, though Saudi Arabia and other Gulf states have actively supported the no-fly zone in southern Iraq. Diplomats say Saudi concern about Bosnia has been shown through a \$50 million airlift of relief supplies mounted by the kingdom.

U.S. officials say that the Turkish and Arab discontent has not weakened the coalition against the Iraqi regime of Saddam Hussein, adding that Turkey and Egypt remain committed to the coalition.

Nevertheless, officials concede that the complaints they are hearing are part of what is becoming a growing problem in the post-Cold War world: how the United States as well as institutions like the United Nations can appear consistent in dealing with regional crises and ethnic wars erupting in various parts of the world — or how, at least, to prevent a judicious choice of inaction in one region from hamstringing a decision to move in another.

Turkish and Arab frustration with the situation in Bosnia has compounded concerns that U.S. policy toward Iraq, with its emphasis on shielding both Kurds in the north and

Shiites in the south, is risking the breakup of the country into three separate states. Both Turkey and most Arab governments see that prospect as catastrophic.

The Bush administration has repeatedly sought to assure its allies that it has no intention of dismembering Iraq.


The confluence of policies is particularly troubling for Turkey. Both in and outside the country, politicians and analysts point to the political and economic dislocations that could be caused in Turkey by Serbia's campaigns against Muslim populations near Turkey's borders, as well as the growth of an increasingly independent Kurdish entity in northern Iraq at a time when Turkey is fighting a bloody war against Kurdish separatists inside its own borders.

The analysts argue that Western policies toward Iraq and the Balkans risk destabilizing Turkey, a NATO member as well as the only predominantly Muslim state in the Mideast to embrace democracy.

"The problem for the West is helping maintain Turkish economic and political stability," said Morton I. Abramowitz, president of the Carnegie Endowment for International Peace and a former ambassador to Turkey.

"We can roll Turkish political waters to the extent we are not sensitive." From this point of view, he added, U.S. policies in Iraq and Bosnia "certainly are very negative factors, no question about it."

For now, however, the Demirel government, which remains eager to integrate Turkey with the European Community, does not appear close to breaking with Western policy on Iraq or the Balkans.

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### GULF: Schwarzkopf Book Says White House 'Hawks' Pressed Land War

(Continued from page 1)

inside account of his role in key decisions. Excerpts from the book, expected to be published next month, are circulating among military officials, and the text has been obtained by The New York Times. It is stirring controversy among officials who dispute some of the accounts and say the general is too quick to take credit for the war's successes while assigning blame to subordinates for the shortcomings.

The book is also notable for the charges it does not make about the most sharply debated aspect of the war — whether the ground offensive ended too soon.

A month after the war ended, when it had become apparent that a significant part of the Iraqi Republican Guard had escaped, General Schwarzkopf said in a television interview with David Frost that he had recommended that U.S. forces "continue the march" but that Mr. Bush had instead ordered a cease-fire.

Mr. Bush and Defense Secretary Dick Cheney publicly rebuked the general, saying there was total agreement on when the war should be ended.

In his book, General Schwarzkopf asserts that he had no objection to ending the ground war at 100 hours. The 100-hour figure, he writes, was picked by administration officials in Washington, who "really knew how to package an historic event."

Reacting to General Schwarzkopf's complaint about the rush to the land war, top administration officials acknowledged in interviews that they pressed him to speed up his military preparations, which had fallen behind schedule. But they say the general was not sufficiently sensitive to the pressure they faced in trying to hold the anti-Iraq coalition together and that he naively put too much stock in Moscow's negotiating efforts.

Among the other disclosures in the book are these:

- Though generally supportive of the American decision to confront Iraq, some Saudi officials became "ambivalent" about opening an attack against Iraqi forces as war approached. After the Saudi commander, Prince Khalid ibn

Sultan Saud, said it might be better to stage the offensive from bases in Turkey. General Schwarzkopf had an angry confrontation with him.

- General Schwarzkopf severely criticized one of his senior officers, General Fred Franks, commander of the army's 7th Corps, assigned the mission of attacking the Republican Guard, accusing him of conducting a plodding attack. This was vigorously disputed by a senior officer under General Franks, who asserted that General Schwarzkopf was looking for a scapegoat because much of the Republican Guard escaped.
- After the Iraqis seized the Saudi town of Khafji, King Fahd wanted the military to send bombers to destroy the city, preferring to sacrifice it rather than allow Iraqi forces to remain overnight. General Schwarzkopf talked him out of it.
- In an effort to keep Israel out of the war, the administration let Israel submit a list of targets in Iraq for American aircraft to strike. General Schwarzkopf's scathing criticism of National Security Council and White House "hawks" challenges the administration's assertion that it took a hands-off approach toward the military's conduct of the war.
- Although general does not name the "White House hawks," it is clear that he is referring to Brent Scowcroft, the national security adviser, and Robert M. Gates, the former deputy national security adviser who now heads the CIA.
- "The increasing pressure to launch the ground war early was making me crazy," General Schwarzkopf wrote. "There had to be a contingency of hawks in Washington who did not want to stop until we'd punished Saddam. We'd been bombing Iraq for more than a month, but that wasn't good enough. These were guys who had seen John Wayne in 'The Green Berets,' they'd seen 'Rambo,' they'd seen 'Patton,' and it was very easy for them to pound their desks and say: 'By God, we've got to go in there. . . . Gotta punish that son of a bitch.' Of course, none of them was going to get shot at."
- Administration officials acknowledged that White House officials wanted the military to

speed up its war preparations. But some officials asserted that the book indicated that the general had an overly benign view of Moscow's motivations in its diplomatic efforts and did not fully appreciate the difficulty of holding the coalition together.

- Another top administration official who disputed the general's analysis said, according to the Soviet Union's diplomatic efforts, "To have allowed Saddam an orderly retreat would have enabled him to preserve his army and assert the invincibility of his forces."
- "The implication of General Schwarzkopf's remarks is that only people who go in to combat can make the decisions. He does not seem to understand that in our system the burden of decision is placed on civilians."
- Among the most compelling episodes is a shouting match by telephone with General Powell over setting a date for the ground war. General Schwarzkopf raised the possibility of delaying the ground war because of bad weather.
- After General Powell indicated that the White House was unwilling to delay the ground offensive, General Schwarzkopf complained that lives would be lost.
- General Powell accused General Schwarzkopf of patronizing him and suggested that he was "putting on a big show" in front of his officers by charging that Washington was guilty of "political expediency" in wanting to proceed with the ground war. General Schwarzkopf insisted that he was being loyal to General Powell but confessed that he was under tremendous pressure.
- "Sometimes I feel like I'm in a vise — like my head is being squeezed in a vise," he exclaimed to General Powell. "Maybe I'm losing it." General Powell, according to this account, sought to calm him down, saying he had full confidence in him.
- The dispute over the ground war date was resolved, General Schwarzkopf says, when the weather forecasters predicted better weather, and he told General Powell that he would attack on Feb. 24, 1991, as planned.

### Floridians Fight Hurricane Shell Shock

By Joseph B. Treaster  
New York Times Service

**MIAMI** — Four weeks after a hurricane tore much of southern Dade County into shards of debris, mental-health experts are measuring its inner toll. They say that the storm delivered the kind of jolt rarely experienced off the battlefield, that they think thousands of people are suffering symptoms similar to those endured by Vietnam veterans and that some are taking out their aggressions on those closest to them.

Calls for help to the Domestic Violence Hotline in Miami have more than doubled, to about 100 a day, and Judge Cindy Lederman of the Dade County Circuit Court said that about 20 women have been applying daily for police protection from husbands or companions, up from an average of fewer than 10 a day.

Of course, most Floridians have not resorted to violence. And other indicators of stress, like child abuse, murder and suicide, seem

unchanged. But experts say the hurricane designated Andrew has harmed almost everyone in the region in some way.

Even those whose homes and possessions suffered little or no damage have seen the results on television and felt the pain. Yolanda Calcedo had only a couple of shutters ripped off her waterfront apartment in North Bay Village, but she has been waking up in the night, terrified and drenched in sweat. "In my dream everybody is sleeping out in the open, all mixed together," she said, "and the rain is pouring down on us."

Anita Bock, an executive in the state's social services agency, has been waking up in a panic several times a night. Victoria and Michael Hayes, who publish newsletters, have suddenly started yelling at each other over such things as whose turn it is to take care of their cocker spaniel. For a while, Buck Collison, 69, an out-of-work bartender, could not remember what kind of car he owned.

For most of the two million people in the

region, mental-health experts say, the shock, mourning and grief will be phenomena that gradually fade.

But Charles Gibbs, who is coordinating the work of volunteer mental-health specialists with the Red Cross, estimated that perhaps 25,000 people will suffer lingering psychological effects.

No previously healthy person has been placed in a mental hospital because of the storm, said Randy Wilcox, the acting head of Florida's mental-health programs, and few of the roughly 40,000 people in the area who regularly receive mental-health services from the state have taken a turn for the worse.

But Mr. Wilcox said the state was gearing up in anticipation that the conditions of thousands of regular mental-health patients would deteriorate and that many others would seek treatment. Washington has provided \$3.6 million in emergency financing for mental health; Florida is asking for about \$22 million more.

### UN: Organization Strangling on Too Many People and Too Much Paper

(Continued from page 1)

**Geneva** — A UN system that has grown into what former Undersecretary-General Brian Urquhart calls "an enormous ramshackle structure" and "a most astonishing conception" is in ways that reform advocates find both absurd and infuriating, the UN system appears to have careered out of control. Many of its programs and activities have become redundant or irrelevant. Their main beneficiaries often are the bureaucrats they employ.

The United Nations, its internal

na is made up mostly of retired diplomats.

These examples characterize a UN system that has grown into what former Undersecretary-General Brian Urquhart calls "an enormous ramshackle structure" and "a most astonishing conception."

In ways that reform advocates find both absurd and infuriating, the UN system appears to have careered out of control. Many of its programs and activities have become redundant or irrelevant. Their main beneficiaries often are the bureaucrats they employ.

The United Nations, its internal

critics say, has been self-protecting and self-perpetuating rather than self-polishing. It has proved largely incapable of setting priorities, evaluating program results or eliminating useless make-work. Budgets are opaque and auditing inadequate. Many entities have overlapping functions, but efforts to coordinate them have largely failed.

"There's a hell of a lot of shuffling things going on," said Rakiya Omsar, the Somali executive director of the human rights group Africa Watch, which is demanding an investigation of alleged mismanagement and graft in UN famine relief efforts. "I think there's a great deal of incompetence, there's a lot of corruption, and there's no accountability."

Secretary-General Butros Butros Ghali, who has promoted reform measures since taking office for a five-year term in January, declined to be interviewed for this series. In an interview published last month in the London-based Arabic newspaper Asharq al-Awsat, however, he said he was battling his own staff in trying to implement unpopular reforms and "restore discipline in an organization where the negligence and fragmentation are widespread."

Despite broad agreement on the need for reform, abuses within the organization persist and often go unpunished. The chiefs of some autonomous UN agencies rule their fiefdoms like autocrats, answering to no one. Regional mafias of UN bureaucrats have taken root, consolidating their power through favoritism in hiring and promotion. Recipient governments also routinely plunder UN programs, diverting aid from intended beneficiaries with little reconstruction from UN agencies.

Ronald I. Spiers, an American who served as a UN undersecretary-general, attributes many of the UN's problems to a shortage of management skills in an organization run largely by diplomats.

"There has never been efficient management," he said. Of the six UN secretaries-general so far, "none has been management-oriented. They have been politically oriented."

In addition to its high-profile peacekeeping and political functions, the United Nations plays an essential role in setting global norms governing such fields as shipping, telecommunications and civil aviation. The issues of reform and accountability examined in this series, however, stem largely from a part of the system that gets little public scrutiny even as it eats up the great bulk of UN resources: the economic, social and humanitarian programs aimed at development, emergency relief and "better standards of life" around the world in accordance with the UN Charter.

Clearly, the United Nations employs many hard-working and idealistic people. But there are widespread complaints of uneven workloads and poor deployment of manpower. Parts of the system are overstaffed and lethargic, while others, particularly field offices in unpleasant places, are understaffed and overworked.

"There's such a bad distribution of the workloads in the UN system," a Rome-based UN official said. "The bulk of the work is done by perhaps one-third of the employees."

Local employees tend to bear the brunt of disciplinary action, such as criminal proceedings, when fraud or other abuses are discovered, while erring international professional staffers often survive and even advance in the organization. At the same time, UN employees who complain about irregularities have found themselves blocked from promotion or forced to transfer to other jobs.

It is a system that tends to cover up its abuses and discourage whistle-blowers. Most UN employees who spoke on these issues did so on condition of anonymity for fear of ruining their careers.

Many expressed concern that disclosing waste and fraud could jeopardize funding from donors and ultimately hurt the people that the agencies are trying to help. But sources both inside and outside the UN system generally agreed that reform is imperative.

UN officials who advocate a cleanup in their ranks say that management by the heads of agencies and other top officials has been inept and, occasionally, corrupt.

"There is no supervision of any agency on a weekly or monthly basis as you have in a government,"

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<p><b>S</b>ewing machines were introduced to the world by Singer. We then spread our innovative hire purchase/installment system around the world, making it possible for millions of people to enjoy the benefits and value of one of the greatest inventions of all time — the sewing machine. That was 140 years ago.</p>  <p>Today, the SINGER product range has been widened to include televisions, VCRs, mini-compos, refrigerators, air-conditioners, furniture,</p>	<p>gas ranges, blenders, sandwich makers, and a whole range of other appliances — almost everything that adds to the quality of life in the home.</p> <p>SINGER's long-standing commitment to innovation now brings to millions of households in over 100 countries steam and dry presses to make the chore of ironing a thing of the past.</p> <p><b>Quality and Service go Hand in Hand.</b></p> <p>For 140 years, SINGER's motto has been quality and service. Our quality has satisfied the most discerning customers</p>	<p>and, of course, the Singer service</p> <p>has always been with a smile. In the decades to come we will continue to dedicate ourselves to the service and satisfaction of our valued customers worldwide.</p> <div style="text-align: center;">  <p>Years of Innovation <b>SINGER</b> So much more than sewing.</p> </div>
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Singer's Worldwide retail and distribution system covers over 100 countries.

Found by 50 countries in 1945, the United Nations currently has 179 members. Initially it employed about 1,500 people. Now the UN system — excluding the UN-related World Bank, International Monetary Fund and regional development banks — counts more than 51,600 employees around the world, nearly 14,000 of them are attached to the New York-based Secretariat and its dependancies. In addition, at least 9,600 consultants were employed by UN agencies in 1991, the latest period for which figures are available.

Total spending by the UN system for the two-year period ending in 1991, including voluntary fund and peacekeeping operations, came to nearly \$15.6 billion, of which the United States contributed about \$2.6 billion. Since the first UN session in 1946, the United States has poured more than \$20.3 billion into the system, making it by far the largest contributor.

At present, the U.S. share of UN assessed budgets is 25 percent, double that of the next-largest single contributor, Japan, which is assessed 12.45 percent. At present, 14 percent of member states pay the minimum assessment of one-hundredth of 1 percent, and the shares of 16 new members have yet to be determined.

A perennial problem for the U.S. government has been that, since regular budgets of the UN Secretariat are approved by a two-thirds majority of the General Assembly, countries that collectively pay less than 2 percent of assessments historically have had enough votes to control passage of budgets. And since the poorer countries are the main beneficiaries of UN spending, it has been in their interest to have more organizations, more programs and growing expenditures.

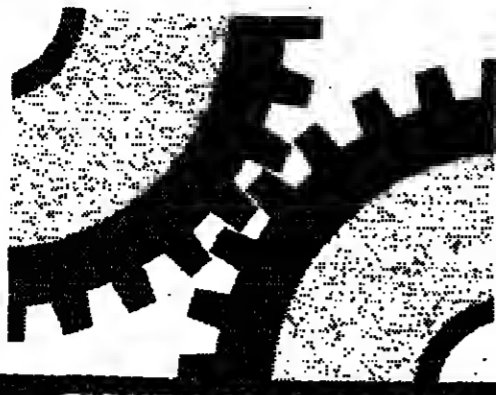
The United States, on the other hand, traditionally has been the strongest critic of wasteful UN spending, much of which inevitably comes out of the pockets of American taxpayers.

According to UN budget officials, at least 70 percent of the Secretariat's regular, assessed budget, which stands at \$2.4 billion for 1992-93, pays for salaries and other "staff costs."

NEXT: Abuses in Africa

سنگر





# TRADE & INVESTMENT

## THE TWIN ENGINES OF GROWTH

EIGHTH IN A SERIES

NORDIC COUNTRIES

Economies / The Challenges of Transition

### Amid the Storms, Some Sunshine

With fierce speculative winds buffeting the European exchange-rate mechanism, the Nordic countries have not remained out of the storm. They have been making their own share of financial headlines as they struggle to cope with one of the heaviest bouts of recession since 1945. But there are reasons for optimism if their politicians can continue to stick to the tough monetary and fiscal policies necessary to regain investor confidence.

Amid the ambivalence recently shown in the European Community toward the adoption of the Maastricht treaty, the Nordic countries have had an ace in the hole — the European Free Trade Association agreement with the EC. The EC-EFTA link will come into effect January 1, 1993 and will create a free-trade zone of 350 million people, without the common foreign policy and currency aspects that have begun to concern many EC voters.

Of the four Nordic countries, only Denmark is currently a member of the EC. Finland and Sweden have presented formal applications, while Norway is still uncertain about whether to join. Yet Finland, Sweden and Norway are all members of EFTA, and the EC-EFTA agreement has meant the acceptance of good many EC laws. In this way, the non-EC Nordic countries have been indirectly grooming themselves for EC membership for some time.

For example, with Denmark showing the way, the Nordic countries have become champions of low inflation, a vital EC membership ingredient. All four countries boast inflation levels now between 2 percent and 3 percent, putting them comfortably below the OECD average.

Sweden's new budget is aimed at keeping inflation low and bringing down unit labor costs, which would encourage export-led growth. The government plans to bring down government expenditure substantially with 20 billion Swedish kronor (\$3.3 billion) in cuts projected over the next three years.

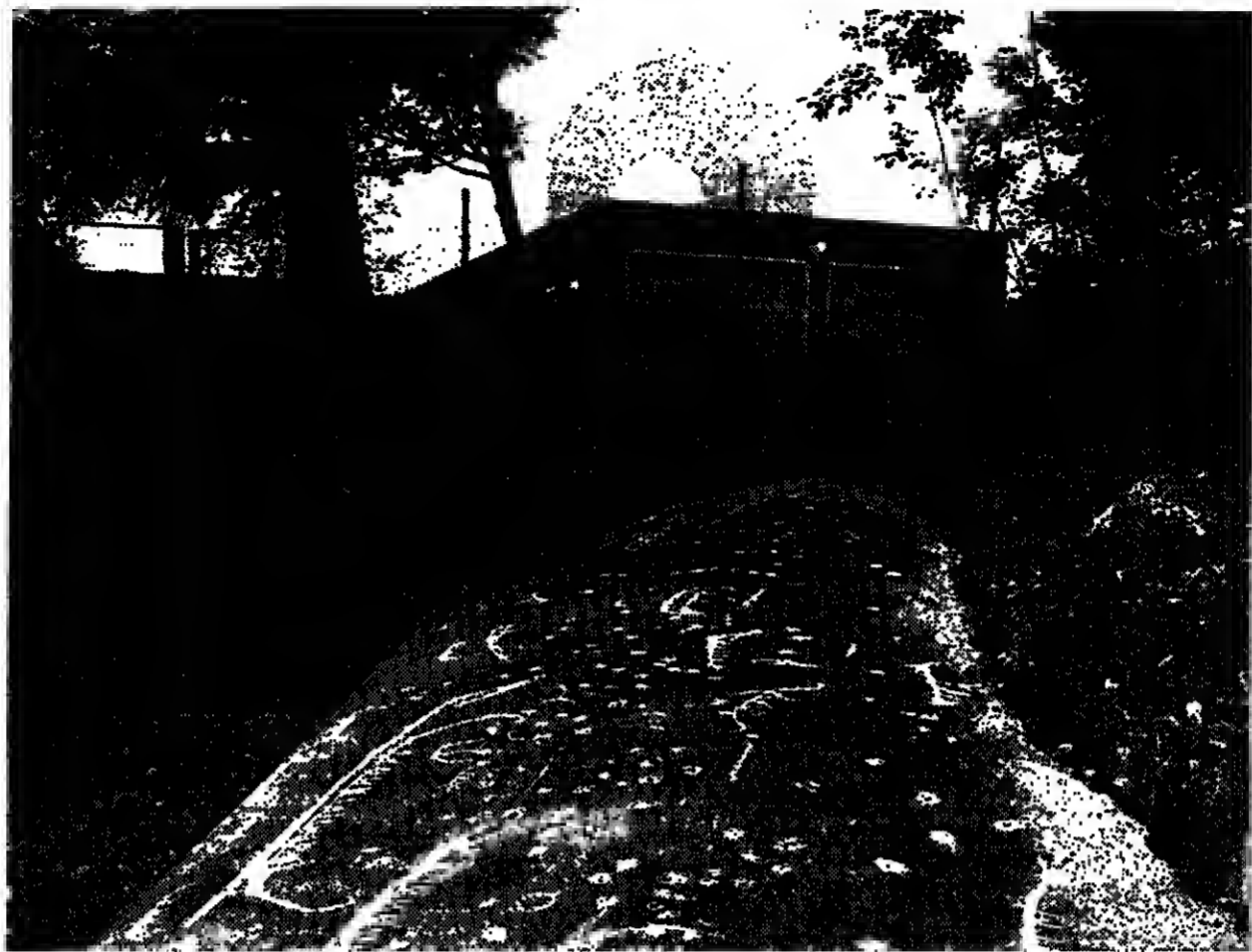
Sweden has also joined the league of corporate tax cutters, having slashed corporate tax levels from as high as 57 percent to 30 percent. There are plans next year to bring levels even lower, to as little as 25 percent. Value-added tax rates will come down from 25 percent to 22 percent, which should lighten the burden on households and bring Swedish value-added tax levels closer into line with EC levels.

The tax reductions aimed at wooing foreign investors coincide with a privatization scheme of 35 state-run companies, abolishing restrictions on foreign ownership of Swedish companies and the removal of the tax on share dealings. The

package is also expected to contain a new 6.5 billion krona venture capital fund for small to medium-sized companies. Martin Haag, European affairs expert at the Foreign Ministry, says, "Industry here has been lobbying for international integration for many, many years." It is too early to say how well the new regime will work, but Tetra Laval, the multinational best known for its cartons, has already moved its headquarters back from Switzerland. Meanwhile, Sweden is promoting forward-thinking regional development in the southern Öresund area. As for Finland, the Paris-based Organization for Economic Cooperation and Development forecasts a 3.3 percent increase in GDP in 1993, — particularly favorable given the past two years of economic contraction as trade with the former Soviet Union collapsed.

Rules preventing foreigners from owning more than 20 percent of voting rights or 40 percent of equity in a Finnish company without official state authorization are expected to be abolished next year. Another significant stumbling block to foreign investment, the difference between free and restricted shares, is also expected to come to an end; at present only 12 percent of shares traded in Helsinki are free. As a result of these radical liberalizations, combined with Finland's long experience in trade with the former Soviet Union, which is now in high demand, new foreign investment in the country is projected to reach as high as 16 billion Finnish marka (\$3.67 billion).

In contrast to its neighbors, Norway has had the advantage of oil money to support fiscal expansion to soak up unemployment. The new budget has, however, tried to introduce real incentives by cutting taxes on oil and boosting the supply of risk capital by raising the ceiling for the amount



One of the ways in which the Nordic countries are integrating their economies into the rest of Europe is through privatization. Swedish Telecom, whose satellite station is shown here next to ancient rock carvings, is one company being put up for sale.

the wealthy social state security fund, Folketrygdfond, can spend on Norwegian shares. An estimated 10 billion kroner (\$1.7 billion) increase in funds available for equity investments will be injected into the market by this change.

The crucial element in the present recovery is the determination of the Nordic governments to stick to their anti-inflation, low-deficit guns. There are strong pressures to waver because of rising unemployment; increased government expenditures would give a temporary glow to these cold economies. With local elections starting in October in Finland, Norwegian elections scheduled in 1993 and Sweden's for the following year, the temptation to loosen the reins on government spending is strong.

With the exception of Denmark, which got started on its economic reform earlier than its Nordic neighbors and has had the bene-

fit of being linked to the European exchange-rate mechanism, the other Nordic countries have been facing serious economic challenges.

Sweden, the traditional success story of Scandinavia, boasting industrial giants such as Volvo and Electrolux, has been grappling with one of its most severe recessions since the 1920s. Unemployment, 2.7 percent in 1991, is forecast to reach 4.5 percent by 1993.

The European currency uproar of this month has caused the Swedish central bank to push up its marginal lending rate to astronomical levels — 20 percent, 75 percent and even 500 percent — in order to defend the krona. Finland, for its part, gave up the marka's fixed tie to the Ecu and allowed it to float, a strategy the Bank of England soon found itself forced to follow.

Like Sweden, both Finland and Norway have had a positive sign by the international financial community. The 8 billion Ecu (\$5.8 billion) syndicated loan announced September 11 has been successfully underwritten in spite of upset in the country's financial markets. Some 25 banks are participating, from Sweden, Switzerland, Germany and Britain as well as Japan and the United States.

Last summer, the col-

to implement some tough measures to boost their economies. Finnish GDP saw a fall of 6 percent in 1991, and unemployment has soared to double-digit levels. Norway has seen a six-year-long softening of the financial sector, which has forced the government to step in repeatedly with billion-kroner rescue packages.

Continued on Page 11

Denmark / Scandinavia's EC member

### Reaping Benefits Of Tough Policies

Denmark is economically stronger today than it has been for the last 20 years. Tight monetary and fiscal policies have lifted the economy out of a chronic balance of payments deficit dating back to the 1970s.

It would be untrue to say that the Danish vote against the European Community's Maastricht treaty has not made some foreign and local investors uneasy. "We have not experienced any radical changes in foreign investor attitudes to Denmark after the June referendum, but that is probably because the economy is strong and the fundamental good reasons for investing in Denmark have not changed," says Joergen Tranberg of the Danish Foreign Ministry's Investment Secretariat. The Secretariat has not let up on efforts to draw attention to Denmark's advantages, particularly in the high-technology sector. The campaign, which was initially directed at the United States and Japan, is now going to be enlarged to take in West European countries starting in 1993.

Today, the Danes boast one of the lowest inflation levels in the world, a strong currency and steady export-led growth. The balance of payments surplus has hit record levels, with the latest figures from the Danish National Bureau of Statistics showing a surplus of 23.7 billion Danish kroner (\$4.15 billion) in the past 12 months — nearly

double the size of the surplus to the year before. Most of these gains have been made through aggressive exports of goods and services; imports, in contrast, have stabilized. Denmark has also managed to ride out the worst of the currency speculation storm created by the strong German mark. While investor confidence dipped dra-



matically for Finland, Sweden and Norway, forcing drastic interest rate hikes. Investor faith in the fundamental strength of the Danish krona, with its stabilizing link to the European exchange-rate mechanism, has allowed the Danes to escape with less dramatic adjustments. The Danish central bank has so far managed to support the krona against exchange-rate pressure.

The Danish economy has reaped significant benefits from EC membership; Danish agriculture in particular has made net gains from Community farming subsidies. But credit must also

Continued on Page 11



and Norway are all members of EFTA, and the EC-EFTA agreement has meant the acceptance of good many EC laws. In this way, the non-EC Nordic countries have been indirectly grooming themselves for EC membership for some time.

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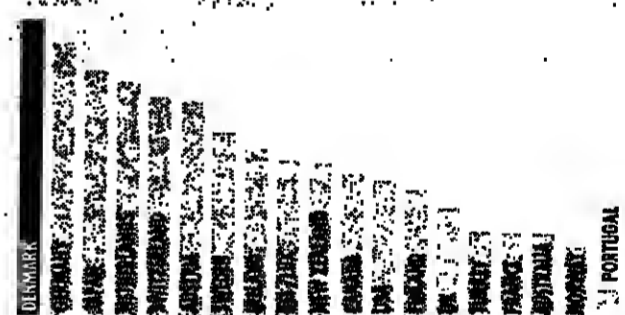
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This advertising section was produced in its entirety by the supplements division of the International Herald Tribune's advertising department. Keith Foster is a freelance journalist based in Sweden. Patrick Humphreys is a Helsinki-based economic analyst and editor of a weekly business newsletter. Xueling Lin is a freelance journalist based in Denmark and editor of Business Denmark, a year-book of Danish business.

## DIRECT INVESTMENT DENMARK ON TOP

### EXECUTIVE OPINION SCOREBOARD

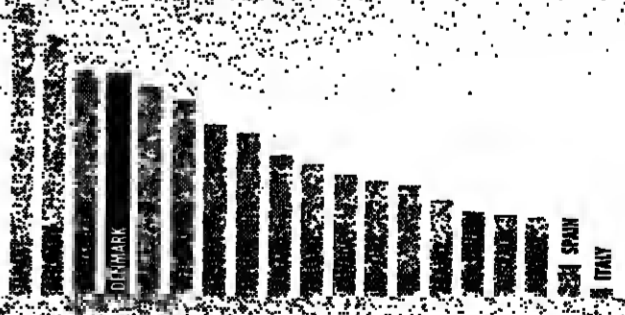
SOURCE: WORLD COMPETITIVENESS REPORT, 1992, BY IMD AND THE WORLD ECONOMIC FORUM.



Denmark: number one in business confidence

### WORLD COMPETITIVENESS SCOREBOARD

SOURCE: WORLD COMPETITIVENESS REPORT, 1992, BY IMD AND THE WORLD ECONOMIC FORUM.



One of the world's most competitive nations

Business opinion about Denmark is changing. In 1992, the nation again improved its standing on the Executive Opinion Scoreboard of The World Competitiveness Report, moving from 4th to 1st place.

At the same time, it jumped from an 8th to a 4th place ranking on the Report's World Competitiveness Scoreboard.

Business confidence in the nation's future and in Denmark's ability to compete internationally is based on solid economic evidence — and geography.

- A strong economy
- Consider the economic picture. Denmark now has:
  - The lowest inflation rate in Europe: approximately 2%
  - A substantial and growing surplus in its balance of trade: more than 6% of GDP
  - Wage increases significantly below those of other European countries
  - A 3% growth rate in labor productivity
  - A strong, stable currency tied to the EMS
  - One of the lowest effective corporate tax rates in Europe
  - A reassuring economic outlook. For 1993, the OECD projects growth of 2.9% in GDP.

A central location  
Denmark is also strategically located. It provides efficient access to the European Community. Scandinavia and the Baltic basin.  
Foreign-owned companies can take advantage of Denmark's location thanks to a well-developed infrastructure geared to international distribution. Indeed, over 2,000 firms are doing so right now, and the pace of direct foreign investment has increased markedly in recent years.  
Denmark is on top. Wouldn't you like to be, too? For more information please contact one of the offices listed below or the Danish Embassy / Consulate General in your country.

## A solid partner

**Kvaerner a.s.** is Norway's largest privately-owned commercial enterprise with some 100 production and sales companies operating in more than 50 countries worldwide. Total group operating revenue was Nkr. 18.65 billion (£1.65 million). Operating profit was Nkr. 1,035 million (£91.6 million)

**Kvaerner** has 19,000 employees - 10,000 of them outside Norway in such countries as the UK, Sweden, Finland, Gibraltar, Canada, Singapore, Spain and Brazil where Kvaerner has a production presence.

**Kvaerner** has five core business areas in which it ranks among the world leaders. These are shipbuilding; offshore design and construction; piping technology; shipping and mechanical engineering.

**Kvaerner** is Europe's largest commercial shipbuilder and the fifth largest in the world in compensated gross tonnage specialises in high quality vessels - cruise liners, chemical tankers, gas carriers, refrigerated carriers, icebreakers and catamarans. Shipbuilding accounted for 50 percent of Kvaerner's total operating revenues in 1991.

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**Kvaerner** has a major share of the world market for wood pulping equipment and machinery for the pulp and paper industry.

**Kvaerner** operates the world's largest fleet of medium-sized carriers for liquefied petroleum gas. It is expanding its involvement in shipping fruit, meat and other perishables.

**Kvaerner** is a dominant force in world energy generation. It is a major supplier of equipment for hydropower and gas-fired power stations.

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For more information: In Japan: Royal Danish Embassy, Tokyo (03) 496-9601. In the United States: Royal Danish Embassy, Washington, D.C. (202) 344-3301. Royal Danish Consulate General New York (212) 224-2443. Chicago (312) 746-2701. Los Angeles (213) 337-2727. United Kingdom: Royal Danish Embassy, 56 Square Street, London SW1A 9NL. Tel: 71-333-2200. Fax: 71-333-2218. France: Royal Danish Embassy, 77 Avenue Marceau, 75116 Paris. Tel: 44-11211. Fax: 44-11218. Consulate General of Denmark, 2 Rue Honfleur, B.P. 2156, 13001 Marseilles cedex 1. Tel: 91-484923. Fax: 91-91100. Elsewhere: Royal Danish Ministry of Foreign Affairs, Inspection Secretariat, Copenhagen - 3132 1811.



TRADE & INVESTMENT THE TWIN ENGINES OF GROWTH

Norway / In the Pipeline

West European Oil King Diversifies

While many in Norway remain ambivalent over the question of EC membership, its businesses are already seeking to take advantage of new opportunities offered by the European Economic Area.

Norway's great source of income is its North Sea oil and gas. It is now Western Europe's chief oil producer, in 1991 having produced 1.86 million barrels per day over Britain's 1.80 million barrels per day, and averaging more than 2 million barrels per day this year.

Most of the investment will go toward the development of new fields, as several large fields have entered a cost-intensive phase of their long-term development. On top of this come planning costs for several new fields that Nor-

way has decided to concentrate on. Investments in fields already in use and land-based operations will grow by \$1.5 billion.

The actual figures may turn out to be even higher. Calculations for this year's investment at a similar stage in 1990 fell almost \$2 billion short of the actual figures. Signs look good, too, for employment in the oil and gas industries, with over 63,000 people employed in this sector in 1991.

When it comes to finding new fields, the Norwegian oil giants Statoil, Norsk Hydro and Saga Petroleum are casting their nets wide. Although surprises could still occur (particularly off central and northern Norway), the North Sea has been thoroughly explored, and new fields are likely to be of small or medium size.

There is a tremendous need for the technology, skill and experience we have gained in the North Sea," says Toralf Enger, director of Norsk Hydro.

When the Natural Gas

business area was formed in 1989, Norway feared problems in selling its reserves. Now, thanks mainly to environmental concerns, European gas consumption looks set to double, and the problem is meeting demand.

These pipelines are symbolic of the increased trade Norway hopes to have with the Continent when the European Economic Area agreement comes into play in 1993, making Norway part of the EC's internal market. The Labor government is set on applying for EC membership this year, but opinion polls still show a large anti-EC contingent, with arguments over the fishing and agriculture issues still critical.

The case of Norwegian Telecom is a good example. Not so long ago, it held a total monopoly in its area, but that is being successively broken up. In the last

four years, competition has been allowed in the production of terminal equipment and telephones, value-added services, data transmission and resale of surplus capacity on NT lines.

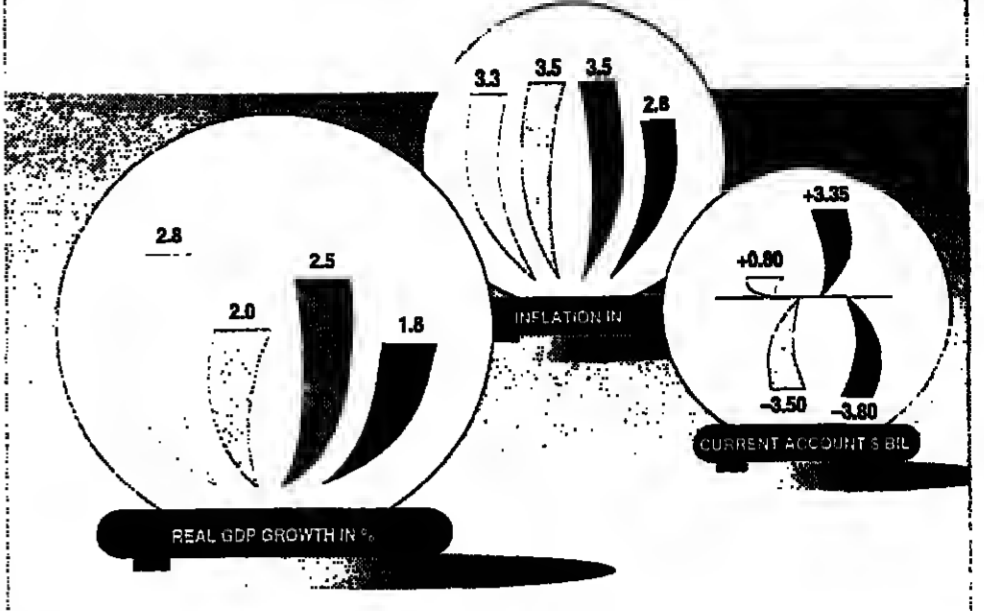
In 1991, the monopoly on the supply of mobile telephones was broken, with two operators being allowed the concession on the new GSM system, to be launched in the near future. Norway is still experiencing a boom in the use of mobile telephones, with over 240,000 subscribers to the Nordic NMT system now in place.

Norwegian Telecom is adapting to its new market situation from within, with plans for a new streamlined organization currently under parliamentary review. The new profit-oriented group would thus shed one-third of its work force in the next four years — but, in typically Scandinavian fashion, the cuts will be achieved mostly by "natural" reductions, with thorough retraining schemes to help those who lose their

ECONOMIC PROGNOSIS 1993-1997

WHILE ALL THE NORDIC COUNTRIES NOW SHOW INFLATION RATES BELOW THE OECD AVERAGE FINLAND AND SWEDEN ARE STRUGGLING TO BRING THEIR ECONOMIES INTO LINE WITH EC BENCHMARKS

DENMARK
FINLAND
NORWAY\*
SWEDEN



SOURCE: POLITICAL RISK SERVICES, SEPTEMBER 1992

Economies / The Challenges of Transition

Some Sunshine

Continued from Page 9

lapse of Denmark's second-largest insurer, Hafnia, sent shock waves through the other Nordic capitals. The Danish insurance group had been involved in a major takeover bid with Norway's largest insurer, Uni Storebrand, for Sweden's Skandia. Hafnia's ambitious plan was to create a pan-Scandinavian insurance giant, but this fell through when Skandia rejected the takeover.

The Hafnia incident triggered off a chain reaction, with Norway's Uni Storebrand being forced into public administration. Skandia's share prices have been affected, as have Baltica, Denmark's largest insurer, and Finland's Pohjola Insurance group; Hafnia has significant shareholdings with all three insurers.

Keith Foster

Xueling Lin

Denmark / Scandinavia's EC member

Reaping the Benefits of Tough Economic Policies

Continued from Page 9

be given to Denmark's own export efforts. While other Community countries still floundered with export deficits with Germany in the late 1980s, Danish exports rose dramatically, particularly after German unification, with little help from Brussels.

Part of the reason Denmark has managed to maintain investor confidence is because the minority right-of-center coalition

has stuck to its tough economic policies. In the new 1993 draft budget, the government proposed heavy spending cuts to reduce deficits and keep the economic revival on track. Denmark took the necessary steps to get its economic house in order earlier than its Nordic neighbors, and this is paying off now.

One major worry Denmark still shares with the other Nordic countries is rising unemployment,

which has passed the 10 percent mark. The push from opposition parties, and even to some degree factions within the government coalition, to boost government spending is increasing. Erik Hoffmeyer, longtime director of the Danish National bank, has, however, warned of the dangers of slipping back into old ways of excessive government expenditure.

Reactions of local industry to the referendum result have been mixed. The Dan-

ish toy-brick manufacturer, Lego, has stated that it will suspend plans to build a new factory in Denmark until its position in the community has been clarified.

Carlsberg, the Danish brewing giant, has taken a more robust view and is going ahead with a 1.3 billion kroner investment in new bottling facilities in Copenhagen and at their high-tech plant in the provinces.

According to a study based on the 1991 World Competitiveness Report,

the Danish portfolio is "strongest in the areas of geographical location, political affiliation, social accord, business environment and educated work force."

Denmark's high level of compliance with Community directives also makes it attractive to foreign investors based in Denmark can be certain that there are no nasty surprises in store, because once they have met Danish requirements, they

have fulfilled Community requirements.

The Danes point out that rejection of the Maastricht treaty is not synonymous with rejection of the EC. They would like closer economic cooperation, but are wary of taking part in a common defense policy or the more far-reaching aspects of monetary union. Judging by opinion polls in the other Community countries, they appear to be common worries.

Xueling Lin

Where to Dine in Copenhagen

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In 1991 Investor AB acquired the Saab-Scania industrial group, which manufactures Scania trucks and buses, Saab commercial and military aircraft, Combitech aerospace products and industrial electronics, and Saab passenger cars (through Saab Automobile, owned jointly with General Motors).

In the last ten-year period, Investor AB's net worth increased by more than 20 percent per year. The Investor share is listed on the Stockholm Stock Exchange and on SEAQ International in London. Investor's convertible debenture loan is listed in Stockholm and Luxemburg.

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WEEKLY INTERNATIONAL BOND PRICES

Provided by Credit Suisse First Boston Limited, London, Tel: 022 40 00. Prices may vary according to market conditions and other factors. Sept. 18

Canadian Dollars

Short Term

Table of Canadian bond prices with columns for Issuer, Coupon, Maturity, Price, and Yield.

Table of international bond prices (likely Euro area) with columns for Issuer, Coupon, Maturity, Price, and Yield.

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NEW YORK (AP) - The following are the weekly prices of the most actively traded international bonds, as reported by the International Bond Dealers' Association.

Table of New York bond prices with columns for Issuer, Coupon, Maturity, Price, and Yield.

EURO STRAIGHTS

Table of Euro straight bond prices with columns for Issuer, Coupon, Maturity, Price, and Yield.

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MUTUAL FUNDS

Figures as of close of trading Friday, Sept. 18.

Table of mutual fund prices with columns for Fund Name, Price, and Yield.

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(Continued on Page 15)

Vertical advertisements on the right margin including 'AL MA', 'THE T', 'Industrial Sector', and 'CURE'.

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BUSINESS

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CAPITAL MARKETS End of Exchange Controls Opened the Door to Chaos

By Carl Gewirtz International Herald Tribune PARIS — Did Europe put its cart before the horse? By removing exchange controls before fully achieving what analysts call "convergence" of economic policies...

With too little convergence among economies, speculators had a field day.

Yeltsin Looks for A Deal He Conciliates Anti-Reformists

By Steven Erlanger New York Times Service MOSCOW — With the Russian economy weakened and the government slipping out of control, an important session of the legislature opens this week amid signs that President Boris N. Yeltsin is seeking further compromise with forces opposed to Western-style economic reform.

Sweden Set for Tax Rises, Welfare Cuts

Compiled by Our Staff From Dispatches STOCKHOLM — Sweden's center-right government, moving to stabilize the krona amid Europe's currency crisis, announced Sunday a dramatic agreement with its Social Democratic opposition on tax increases and welfare cuts.

from reduced social benefits. Mr. Bildt's coalition came to power last September on election platforms promising cuts in taxes and government spending. A plan in pay parents to care for their children at home as an alternative to state day care was put on hold, TT reported.

Ministers 'Committed' to EMS

By Paul F. Horvitz International Herald Tribune WASHINGTON — European finance ministers defended the European Monetary System on Sunday as a central ingredient in Europe's prosperity but took no immediate action to ease pressure on the battered exchange rate mechanism.

Big Currency Players Explain Their Fright

By Jonathan Fuerbringer New York Times Service NEW YORK — Currency traders who have been placing high-risk bets had a lot to do with the crisis that is rolling through Europe. The word "speculator" in itself, has rolled easily off the lips of finance ministers, like Norman Lamont of Britain, who are looking for scapegoats.

THE TRIB INDEX International Herald Tribune World Stock Index, composed of 230 internationally investable stocks from 20 countries, compiled by Bloomberg Business News. Week ending September 18, daily closings, Jan. 1992 = 100.

Hong Kong Notebook High-Rise Prices Teeter on the Edge

International Herald Tribune After 18 months of gravity-defying leaps, Hong Kong's residential property market appears to be headed for a correction. Since January 1991, prices have rocketed an average of 80 percent, driven largely by speculators.

Sustained Growth Earnings per share in LUF. 3D bar chart showing growth from 87/88 to 91/92. KEY FIGURES 91/92: Total balance sheet 474,222, Customer deposits 291,226, Net profit 2,052, Earnings per share 2,500 LUF.

CURRENCY RATES Sept. 18 Table with columns for currency, rate, and % change. Includes sections for Dollar Values and Forward Rates.



New International Bond Issues

Table with columns: Issuer, Amount (millions), Mat., Coup. %, Price, and Terms. Includes sections for Floating Rate Notes, Fixed-Coupons, and Equity-Linked.

CAPITAL: End of Exchange Controls Led to Disaster

(Continued from first finance page) up defending fixed rates and were obliged to let their currencies float. By then, money managers and corporate treasurers had convinced themselves that the Deutsche mark and its closely tied satellites — the guilder and the Swiss and Belgian francs — were inevitably headed for a revaluation against all other European currencies.

LETDOWN: Why Managers Dumped Currencies

(Continued from first finance page) cut. He said he had contributed to the currency turmoil himself by shifting his strategy earlier this month in a way that forced the selling of the weaker European currencies. "It is portfolios like these that are really driving the market, and it is the speculators that come in and shake the trend," he added.

Treasuries: Port in a Storm?

Experts Expect Bonds to Be Spared European Reaction

Compiled by Our Staff From Dispatches NEW YORK — The U.S. Treasury bond market will have all eyes on Europe this week, but analysts say it may be spared some of the more stormy reactions to the meeting of finance ministers in Washington.

BUSINESS BRIEFS

Taiwan Broker Detained for Defaults

TAIPEI (Reuters) — Agents of Taiwan's Bureau of Investigation detained Lai Po-lung, a major stock market player, on Sunday for alleged involvement in a string of stock payment defaults that sent the market plunging last week, local media said.

Suzuki to Run Pakistan Auto Firm

ISLAMABAD (Reuters) — Suzuki Motor Corp. of Japan has taken control of Pakistan's only car plant, saying it would improve efficiency and export cars to the newly independent Central Asian republics.

China May Drop U.S. Auto Accord

BEIJING (UPI) — China has escalated its threats to retaliate against the proposed U.S. jet fighter sale to Taiwan, hinting that a deal to import American-made cars could be canceled if Washington went ahead with the sale, an official newspaper said Sunday.

Hartmarx Sheds Retail Operations

NEW YORK (NYT) — Hartmarx Corp. has announced the sale of its battered retail operations, ridding itself of a business that was dragging down its healthy manufacturing operations.

No Producer Plans for Coffee Cartel

LONDON (AP) — Brazil says there are no contingency plans for producers to act unilaterally to boost the depressed coffee market if negotiations opening Monday with importing nations on a new international price-support agreement break down.

SEC Chief Pushes Stockholder Rights Plan

By David S. Hiltzenrath WASHINGTON Post Service WASHINGTON — A watershed decision is drawing near at the Securities and Exchange Commission over proposals that could go further than any regulatory steps in recent memory to bolster the influence of shareholders in America's corporate boardrooms.

Euromarkets At a Glance

Table with columns: Eurobond Yields, Libor Rates, and Stock Indexes. Includes data for various markets and currencies.

RUSSIA: Yeltsin Seeks Deal

(Continued from first finance page) flat, or a 50 percent monthly rate, in October or November. Mr. Gerashchenko's policies have also led Mr. Gaidar to acknowledge publicly that the Russian government cannot meet the financial targets that it negotiated earlier this year with the International Monetary Fund.

China Finance Minister Backs Market Solutions

Compiled by Our Staff From Dispatches BEIJING — China's new finance minister, Liu Zhongli, has made a bold call for a broad disengagement of the state from the national economy, Xinhua reported.

Last Week's Markets

Table with columns: Stock Indexes, Money Rates, and other market data. Includes data for various indices and currencies.

MUTUAL FUNDS

Table with columns: Fund Name, Assets, and other performance metrics. Lists various mutual funds and their statistics.

Advertisement for BusinessWeek magazine, including the text 'This week's topics: Inside Hitachi, The IMF Faces Its Biggest Challenge...' and subscription information.



NASDAQ NATIONAL MARKET

OTC Consolidated trading for week ended Friday, Sept. 18.

Large table with multiple columns listing stock symbols, prices, and market data. Includes sub-sections A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z.

For an up-to-the-minute view of the European bond markets, all you need is J.P. Morgan's 10-year benchmark screen.

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Table with columns: COUNTRY, ISSUE, BENCHMARKS, PRICE, YLD, OUST, OGER. Lists data for Germany, France, Denmark, Belgium, Holland, ECU, UK, Spain, Italy, and Swiss.

A recent MEUR screen: prices shown are for domestic settlement, and yields are expressed on an annualized basis from the offer prices.



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# Modern Facilities And Ancient Charm

Lyon is "in." The beautiful capital of the Rhône-Alpes region, surrounded by hills, lakes and wild game, is enjoying the effects of a boom and is working hard to make it last.

Nothing will stop Lyon's mayor, the 48-year-old Michel Noir, from working to transform his old and formerly stodgy city into the self-proclaimed "Euro-city" of the 21st century.

Better known for its contributions to the silk

## Paris is two hours away by TGV

manufacturing, printing and banking industries. Lyon is also the birthplace of world-renowned companies such as Rhône-Poulenc, Péchiney and BSN. Boasting the second-largest pool of highly qualified workers in France after Paris, it is a hub of avant-garde activity in the fields of chemistry and para-chemistry, electrical engineering and electronics, textiles and clothing, optics, mechanical engineering, rubber and plastics.

"Today, as the single market moves progressively toward implementation, Lyon's assets are becoming increasingly important," says Robert Moury, director of Lyon's regional development association. Adery. "By virtue of its geographic position and the quality of its transportation, telecommunications and service facilities, the city is particularly well situated to provide maximal access to the French, Italian, Spanish and Swiss markets in particular."

Located at the confluence of the Rhône and Saône rivers, between

Northern and Southern Europe, Lyon considers itself a "crossroads" and is busy expanding its already impressive transportation network to establish itself as a vital link between the two halves of the continent.

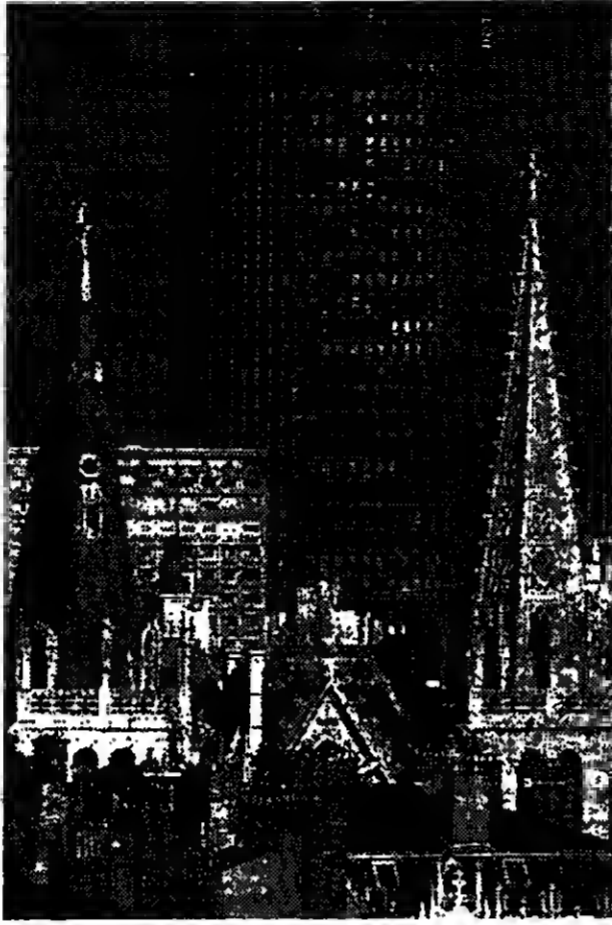
The Satolas International Airport, less than 30 minutes from downtown Lyon, handles 3.7 million passengers annually on 52 international and 37 domestic flights offered daily by 21 foreign and national airlines.

Six hundred thousand tons of goods transit the Lyon region daily. Lyon and the Rhône-Alpes region's highly concentrated road network provides direct access to Paris, Marseille and Toulon, as well as Barcelona, Turin, Milan, Geneva, Basel and Brussels. And large-scale navigation is possible on the Rhône river between Lyon and Marseille, providing access to the Mediterranean.

"The TGV (Train à Grande Vitesse, France's high-speed train) is a tremendous asset," says Paul Raffaitin, administrative director of Schering-Plough's research laboratory in Lyon. Served by two stations in the heart of Lyon (Part-Dieu, in the new business district, and Perrache), the TGV travels between Lyon and Paris in only two hours. Future extensions will bring Brussels, Frankfurt and Barcelona within a three-and-a-half hour range, and an uninterrupted, high-speed route of 80 kilometers (500

# LYON

## DESTINATION EUROPE



The Lyon mixture: steeples and skyscrapers.

miles) will constitute the north-south backbone of Europe's railway network on completion of the Channel Tunnel.

All this may explain why an increasing number of French and international companies are opting for the gentler climate, greener surroundings and attractive working conditions offered by the city.

Back in 1964, the International Agency for Research on Cancer set up residence in a 14-story building on the edge of the hospital district. Since then, Interpol (International Criminal Police Organization) has relocated its world headquarters from Paris to Lyon, where Hewlett-Packard, Schering-Plough, Caterpillar,

Unilever and others have also established industrial and administrative sites.

Europe's own cable-television news channel, Euronews (which will start broadcasting in five languages on January 1, 1993), chose Lyon from among 15 European cities (including Strasbourg, Barcelona, Prague, Berlin, Bologna and the ill-fated Sarajevo) on the basis of studies by consultants Arthur Andersen and a two-ballot vote.

"The City of Lyon has proved a very responsible partner," says Euronews Director Pierre Brunel-Lantenc, who explains that his channel received an array of incentives, including a free 99-year land and building lease, a 15 million franc (\$31 million) equipment subsidy and exonerated from professional taxes.

"The mayor, Mr. Noir, is an unconditional ally because he understands the political importance of the Euronews project," says Mr. Brunel-Lantenc.

The Lyon region is the most important industrial center in France after the capital, contributing 15 percent to 20 percent of national production in various sectors of activity and 12 percent of industrial employment. Its 60 banks (of which 24 are foreign), thriving stock exchange, international lawyers, patent attorneys, certified public accountants and city officials portray the city as a hub of trade, industry and research.

Long-term ground leases at reduced rates, tax credits, lower import duties on selected items, low-interest-rate financing and cash allowances for job creation, business and science parks and the modern Eurexpo conference center are magnets for large and small companies. And 60,000 square meters of new office space, 800,000 square meters of warehousing and 850 acres of building land at prices much lower than those charged in Paris provide added incentives.

"With real-estate costs at one-third to one-quarter those of Paris and a lower cost of living as well, Lyon is an attractive location for both national and international firms," notes a study by the U.S.-based Industrial Development Research Foundation.

In addition, top-rate educational facilities (three universities, 14 graduate schools, hundreds of schools and a new Cité Scolaire Internationale opening this autumn), a vibrant cultural life, close proximity to six national parks and everyday access to the best cuisine in France should keep the Euro-city on the road to success.

"Everything is much easier here," says Mr. Raffaitin of Schering-Plough. Referring perhaps to the city's new parking spaces, he adds, "In Paris, it takes a whole morning to see one person. In Lyon, you can see twice as many people in the same amount of time."



Transport links: Lyon's Part-Dieu train station provides swift connections to the rest of Europe.

## Coming to Lyon?

The city that is world-renowned for its gastronomic delights also excels in the art of business travel. Following are a few facts and figures that explain why. Number of tourists a year: 7.5 million (of which 1.5 million are visitors to congresses, conventions or salons).

Number of business visitors a year: 4 million.

Number of hotels in Lyon:

Four-star: 8, with 1,002 rooms

Three-star: 22, with 1,690 rooms

Two-star: 52, with 2,581 rooms

One-star: 28, with 616 rooms

Leading venues for international events:

Palais de Congrès, tel: 78 93 14 14, fax: 78 89 01 71

Halle Tony Garnier, tel: 78 72 86 21, fax: 78 72 37 07

Espace Double Mixte, tel: 72 44 60 00, fax: 72 44 60 90

Espace Tête d'Or, tel: 78 94 69 00, fax: 72 44 06 23

Espace Albert Camus, tel: 72 37 13 91

Eurexpo, tel: 72 22 33 44, fax: 72 22 32 70

Le Radian, tel: 78 23 84 02, fax: 78 08 40 47

About 85 major events have been booked for these and other Lyon venues in the next year, including wine fairs, postage stamp exhibitions, film festivals, automobile shows, a biennale of contemporary art, a festival of sacred music, a festival of theater, conferences on education and technology and golf, tennis, moto-cross and other sporting championships.

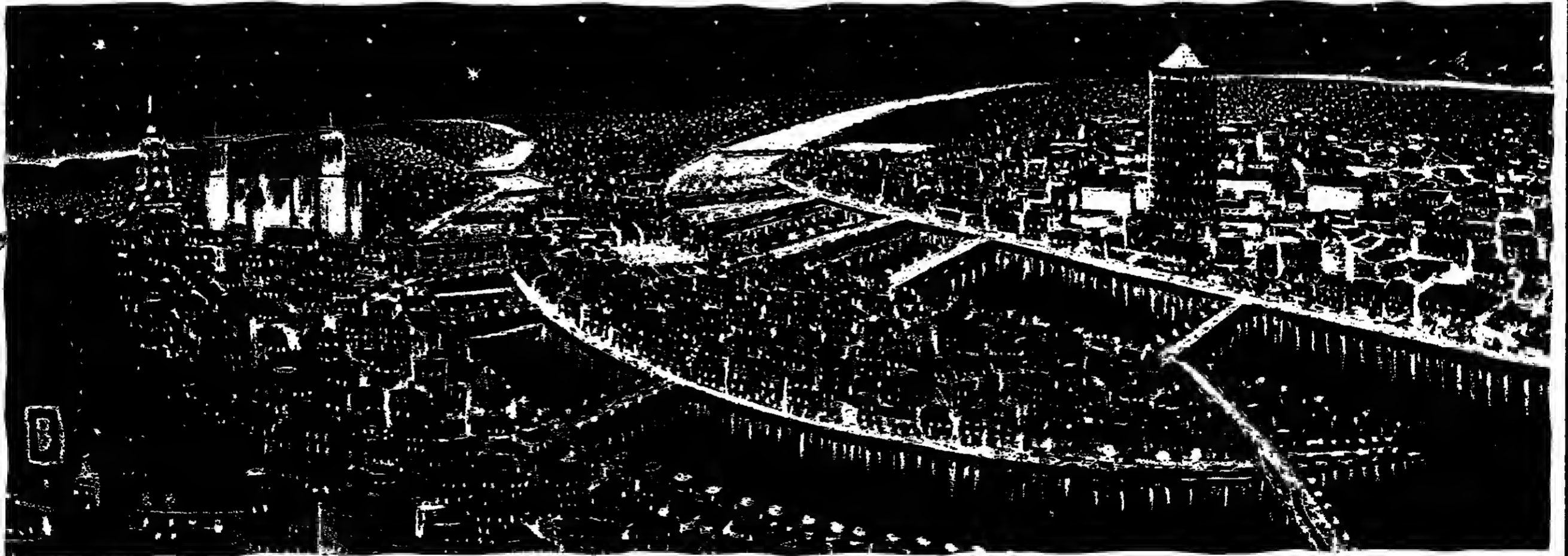
Restaurants:

One of the Michelin three-star restaurants is in the region: Paul Bocuse, at Pont de Collonges, tel: 78 22 01 40, fax: 72 27 85 87. In addition, the Michelin Guide lists 11 other starred restaurants in Lyon.

This advertising section was produced in its entirety by the supplements division of the International Herald Tribune's advertising department. It was written by Ronny Joyce, a free-lance journalist based in Paris.

## Lyon invented the Movies.

No other city will ever do as much to set the world dreaming.



In 1895 the Lumière Brothers invented the movies in Lyon, France - and the city has been quietly making history ever since. The centenary of film-making is going to be quite an event!

Today, other major events are centered on Lyon involving national and international stars\* from the fields of economics, business and research.

To all who trust the city, Lyon is a true friend, providing a base reputed throughout the world for its fundamental values - vital success factors such as balance, professionalism, autonomy and image. Uniquely privileged, with a top record for excellence and successful growth, Lyon is currently a candidate as the site for the Central European Bank. Euronews (the European News Channel) and Interpol have already chosen Lyon as the most viable site in Europe. The city is happy to welcome all Institutions whose future lies in European growth too.

# LYON

FRANCE

## Big things take place in Lyon

\*To find out more about what goes on in Lyon, contact ADERLY

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Firms Empower Their Environment Men

By John Holusha  
New York Times Service

MIDLAND, Michigan — Four times a year, David T. Buzzelli, a vice president of Dow Chemical Co., prepares for a meeting that could have a major impact on the company's operations. To get ready, he gathers information on manufacturing plans and product offerings, including material Dow considers confidential.

But this is no ordinary meeting of executives. Instead, Mr. Buzzelli will share the company's plans with a panel of outsiders comprising Dow's Corporate Environmental Advisory Council.

Inviting environmental advocates to examine the way it conducts business is something new for Dow, which in the mid-1980s fought the Environmental Protection Agency all the way to the Supreme Court to prevent airplane inspection: of its emissions.

But it is typical of the things that have happened since Mr. Buzzelli was named two years ago as Dow's first corporate vice president for environmental, health and safety matters.

Now, Dow has a program to cut its most significant toxic emissions in half by 1995. Plant managers who once ignored anyone beyond the fence are forming community advisory panels. And the company has pledged — at least in theory — to phase out products and applications that do not meet environmental standards.

Strong staff for a company whose best-known product may still be the napalm it produced during the Vietnam War. But Mr. Buzzelli insists that Dow, the second-largest U.S. chemical company after Du Pont Co. and the

maker of such best-selling consumer products as Saran Wrap and Ziploc bags, has changed. The company's future, he said, depends on how well it manages its environmental responsibilities and how convincing its efforts are.

"This is not about altruism," he said. "We concluded that people who do not pay attention to the environment will not be successful." Not everyone is convinced Dow has gone completely green. Daniel J. Weiss, a legislative affairs director of the Sierra Club, said Dow is a leading member of the Chemical Manufacturers Association, which he said routinely lobbies against laws aimed at reducing emissions.

"The company's engineers have realized they can save money by reducing pollution, but unfortunately that does not extend to their policymakers," Mr. Weiss said.

But Manik Roy, a scientist with the Environmental Defense Fund, which is not a member of the Dow advisory council, said the company's new openness is a good thing. "It's possible to work with these people, even if we do not agree with everything they say," he said.

The seven-member council includes Lee Thomas, a former administrator of the EPA; Joanna Underwood, president of Inform Inc., a New York-based environmental research organization; and Anthony Corlese, dean of environmental programs at Tufts University.

Whatever the true depth of Dow's commitment to the environment, Mr. Buzzelli represents a new breed of environmental manager. In the past, many companies dumped the job on a staff type with little influence. But Mr. Buzzelli was an important line manager, serving

as president of Dow Canada, when he was tapped in August 1990 for his current post.

"The stigma is gone" said Mr. Buzzelli, who now reports directly to Frank P. Popoff, Dow's chief executive, and is a member of the company's top-level management committee.

People like Mr. Buzzelli are showing up in the organizations of many corporations, as the complexity and cost of meeting anti-pollution regulations has risen and public concerns about the environment have been translated into such laws as the Superfund and Clean Air acts.

In fact, is Mr. Buzzelli — and his counterparts at other companies — who could wind up holding the bag if a major environmental disaster occurs. Defense lawyers warn that recent anti-pollution legislation and sentencing guidelines could make environmental managers the subject of criminal prosecution.

According to Arthur D. Little, a consulting firm in Cambridge, Massachusetts, 49 of the top 100 manufacturing companies in the United States had vice presidents in charge of environmental affairs in 1991, up from 38 in 1990.

The job used to be part of manufacturing, added Ladd Greene, a consultant at Little. Now, he said, "it includes research and development, sourcing, sales and marketing, community relations and stockholder relations."

Indeed, Mr. Buzzelli says he is part executive and part pitchman, spending about half his time on internal company affairs and the rest meeting with public policy and environmental groups, giving interviews and making speeches.

WORLD STOCKS IN REVIEW

Amsterdam

The Amsterdam market remained calm amid the turmoil in European money markets, with share prices closing higher in heavy trading. The CBO all-share index gained 6.3 points during the week, to close at 199.40 on Friday.

Frankfurt

Frankfurt stocks rode out the storm that buffeted European financial markets, to post large gains; the DAX index rose 61.5 points during the week, to finish at 1,589.3 on Friday.

Volume on the eight German exchanges rose to a total of 36.02 billion Deutsche marks for the week, against only 21.2 billion DM the previous week.

The market started the week off with a surge on Monday, jumping 4.4 percent, but it eased back following the moderate cut in the Bundesbank's key interest rates.

Hong Kong

Share prices rose overall in a week of broad fluctuations; the

Hang Seng Index, the market's main barometer, gained 152.03 points, or 2.7 percent, during the week to close at 5,689.32 on Friday.

Average daily turnover was 1,523 billion Hong Kong dollars, up from the previous week's 1.45 billion dollars.

London

The collapse of sterling and its withdrawal from the European Monetary System caused shares to soar as dealers forecast falling interest rates.

The Financial Times-Stock Exchange 100-share index ended Friday up 196.1 points, or 8.3 percent, at 2,567.

The index rose 2 percent on Monday alone, when the Bundesbank lowered interest rates. The increase in rates in Britain, to 12 percent and then 15 percent on Wednesday, depressed the exchange before the government decided the rates were unsustainable and sterling came out of the EMS.

Milan

The Milan bourse was steady last week, despite the crisis on Europe-

an money markets and the devaluation and suspension of the lira from the European Monetary System.

The market's MIB index hit its lowest point of the year, at 696 points, on Wednesday, but recovered to finish at 739 points on Friday, for a gain of 21 points for the week. Volume rose to an average of 70 million shares a day, from 50 million the previous week.

Paris

The Paris Bourse shook off jitters ahead of the Maastricht referendum to post solid gains.

The CAC-40 index gained 80.95 points during the week, to close at 1,882.94 on Friday.

Analysts said share prices were buoyed by expectations, which grew in the course of the week, that French voters would approve the Maastricht treaty and that French interest rates might be cut.

Singapore

Share prices lost ground on the Singapore stock exchange, with

week to close at 1,341.86 points on Friday. The broader-based All-Singapore index eased 3.63 points to finish the week at 360.79.

Total turnover for the week fell 6.1 percent, to 148.6 million shares.

Tokyo

Share prices were mixed in lackluster trading during a holiday-shortened week on the Tokyo Stock Exchange.

Investors were cautious ahead of Saturday's Group of Seven meeting in Washington and Sunday's French referendum on the Maastricht treaty.

The benchmark Nikkei average of 225 blue chips closed at 18,166.80 Friday, a gain of 0.33 percent for the week.

Zurich

Foreign investors helped push share prices higher on the Zurich

exchange, as they fled markets more vulnerable to turmoil on the European money markets. Bank and insurance companies were especially sought.

The Swiss Performance Index gained 3.5 percent during the week, to close at 1,157.63 on Friday.

NASDAQ NATIONAL MARKET

OTC Consolidated trading for week ended Friday, Sept. 18.  
(Continued)

Table with multiple columns listing stock symbols, prices, and market data. Includes sections for OTC Consolidated trading, various stock categories, and market indices. Columns include symbols, bid/ask prices, volume, and change.

(Continued on next page)

HOSPITALITY AND COMFORT...



There's more than sufficient legroom in THY's interior for your comfort. But of course, comfort isn't merely a question of space between seats. Turkish Airlines is bringing new dimensions to the art of flying, by offering a unique perspective in service and comfort for those who wish to fly at a higher level.



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MONDAY SPORTS

BASEBALL

Braves' Big Inning: 4 Homers in 6th

Atlanta Hitting Crushes Astros, 16-1

The Associated Press The Atlanta Braves matched a club record with four home runs in an inning and set a season high for runs on Sunday, routing the Houston Astros, 16-1, in Atlanta.

David Justice, Brian Hunter and Ron Gant hit consecutive home runs in the seven-run sixth inning off Al Ossa, and Mark Lemke homered one out later off Rich Scheid.

Atlanta, which ended a three-game losing streak, maintained a 7 1/2-game lead over second-place Cincinnati in the NL West. Justice and Terry Pendleton drove in four runs each for the Braves, who lowered their magic number for a second straight division title to seven. Pendleton also drove in his 100th run of the season.

The Braves became the first team to homer four times in an inning since the Detroit Tigers did it on Sept. 10, 1986. The only other time the Braves hit four in an inning was on June 21, 1971, when Mike Lum, Hal King, Hank Aaron and Darrell Evans did it against Montreal.

Steve Avery (11-10) won for the first time in seven starts since Aug. 15. Mets 1, Expos 0: In New York, Sid Fernandez pitched a five-hitter for the Mets' victory, and the Mets took two of three games over the weekend from the Expos, hurting Montreal's chances of catching first place Pittsburgh in the NL East.

Fernandez (13-10) struck out 10 and walked two in beating Ken Hill (16-9). Hill had shut out the Mets in his previous two starts against New York this season, including a one-hitter.

It was the second shutout of the season for Fernandez and the eighth of his career. It was the left-hander's fourth complete game. Montreal won 12 of 18 games from the Mets this year.

Mets 6, Padres 1: In Cincinnati, Tim Lincecum struck out a career-high 13 and Dave Martinez hit a two-run homer for the Reds' fourth consecutive victory.

Belcher (13-14) scattered seven hits and walked none in his second complete game. He has struck out 10 or more eight times, including three times this season.

Greg Harris (2-8) gave up four runs for San Diego and eight hits in 4 1/3 innings. He is winless in eight starts since May 31.

Cubs 16, Cals 4: In Chicago, Stan Royer hit his first major league homer and drove in four runs, and Geromino Pena's three-run double capped a six-run first inning. St. Louis got 22 hits.

Ryne Sandberg homered for the fourth time in six games, hitting his 24th homer of the season in the seventh inning. Shawn Boskie (5-10) faced seven batters and retired none in the shortest start of his major league career.

Ryne Sandberg (2-1), who relieved Mark Clark in the fourth, allowed one run and three hits in four innings.

In games Saturday: Pirates 3, Phillies 0: In Pittsburgh, Doug Drabek scattered eight hits in his ninth complete game and matched a career high with 11 strikeouts. Drabek won his fourth straight start.

Mets 7, Expos 5: In New York, Chico Walker singled with the bases loaded to snap a 3-3 tie in the eighth. Eddie Murray followed with an RBI single. Jeff Kent walked with the bases loaded and Todd Hundley hit a sacrifice fly.



Houston's Ken Caminiti colliding with Atlanta's Greg Olson. Caminiti was out, but Olson broke his ankle and is out for the season.

When Little Leaguers Copy Their Elders

By Tom Callahan

WASHINGTON — The axiom used to be that no matter how depraved society got, civilization would still be able to look itself in the eye as long as nobody fixed the Soupbox Derby.

Twenty years ago, this had to be amended. One of those \$75-maximum crates was found to be a \$22,000 wind-tunnel job with an electromagnetic hidden in its nose cone.

When, against astronomical odds, two children from the same Colorado household took consecutive derby championships in 1972 and '73, investigators were unleashed. At the bottom of the scandal, beneath several layers of fiberglass, they uncovered a father.

So the adage became: No matter what happens next, everything will be fine as long as nobody fixes the Little League World Series.

On Thursday, this maxim also became inoperative. For employing eight ineligible players, including some of dubious age, the Filipino Little Leaguers of Zamboanga City (and, it turns out, Manila and Isabela) were stripped of the title they won first in narrow preliminaries against Taiwan and the Dominican Republic and then in a smashing final over Long Beach, California.

Deborah Burroughs, wife of the Long Beach manager, mother of a chubby pitcher, dedicated the dejected crown to the 21 American

Little League teams that have lost to Asian champions in the last 26 years.

"We feel from looking back that this has happened many times in the past and it had just never been investigated," said Burroughs. "The Dominican kids were obviously men. Our coaches said you could tell in the showers. At least the Philippine kids were smart enough to use Nair."

There are only two things that have to be said about this, both of them impolite. One concerns baseball and the other has to do with parents.

Only bow-tied dreamers miss the obvious fact that baseball, our national pastime, is a generally low and base game played by generally low and base people. In baseball, fair play is an exceedingly relative term. Outfielders are expected to hold trapped balls aloft as if they caught them. Cheating is considered charming.

It has always been this way. While a third baseman in the American Association, the great John McGraw was amazingly deft at slowing down base runners until the day Pete Browning undid his buckle between second and third and left McGraw holding the belt.

On Thursday, this maxim also became inoperative. For employing eight ineligible players, including some of dubious age, the Filipino Little Leaguers of Zamboanga City (and, it turns out, Manila and Isabela) were stripped of the title they won first in narrow preliminaries against Taiwan and the Dominican Republic and then in a smashing final over Long Beach, California.

face that Junior did not play his way into omnipresence this year. As his tote board passed 1,700 consecutive games, he was ceded his daily place for commercial reasons, or some other reason, that had nothing to do with the momentary good of the player or the ultimate well-being of the team.

Rob Dibble and Lou Finelli rolling around in their knickers last week cursing and fighting over who was or wasn't being treated like a man recalls the old line that baseball is a game grown men try to play like little boys and little boys try to play like grown men.

Little League baseball is a game grown men and women play from the stands. The teams are stacked. The fields are proving grounds. The manager's relatives do most of the pitching and catching. The parents bring the pressure and chatter: Good eye, good eye. Be a hitter in there. Looked good from here, ump. What, are you blind, ump? Swimming, batter.

Dock Ellis's cousin put a baseball in his baby crib, as fathers occasionally do. A quarter of a century later, Dock was doctoring a ball in a World Series. Now, there's the American Dream.

"Our Philippine leaguers defeated the American champions in their own national sport, in their own homeland," said Aramando Andaya, resigning his position as administrator of the Philippine Little League. "The Americans in Williamsport just could not take it at the hands of the Filipinos. Hence, they scrounged around for some reason to overturn the victory."

But everything will be all right as long as nobody fixes the national spelling bee.

White Sox Defeat Indians as Thigpen Gets 200th Save

The Associated Press Bobby Thigpen became the youngest pitcher to reach 200 saves and Ron Karkovics drove in four runs, two of them with a tie-breaking homer in the fifth inning, as the Chicago White Sox beat the Indians, 10-8, Sunday in Cleveland.

The 29-year-old Thigpen got four outs for his 22d save of the season, joining 13 other relievers with 200 career saves. Bruce Sutter, Lee Smith and John Franco all accomplished it at age 30.

Robin Ventura had three hits, including a two-run homer, and

Viola gave up two runs on five hits in seven innings, and Greg Harris threw a wild pitch in the ninth that scored a run.

Yankees 10, Royals 4: In Kansas City, Missouri, Don Mattingly and Roberto Kelly doubled during a late surge and New York stopped its six-game losing streak.

Mattingly's two-run double keyed a three-run seventh inning that put New York ahead, 5-3. Kelly's three-run double highlighted a five-run eighth.

The Yankees hit seven doubles, tying their season high and matching a Kansas City mark for most doubles allowed. Danny Tartabull hit his 23d home run for the Yankees. Matt Nokes had his first three-hit game since June 6 and Charlie Hayes also had three of New York's 16 hits.

In games Saturday: Blue Jays 1, Rangers 0: In Toronto, David Cone combined with a pair of relievers on a four-hitter and the Blue Jays blanked Texas for the second straight game.

Mariners 6, Athletics 4: In Seattle, the Mariners ended their club-record losing streak at 14 games and stopped Oakland's winning streak at 10.

Angels 5, Twins 1: In Anaheim, California, Julio Valera pitched a five-hitter, struck out six and walked none.

Red Sox 2, Red Sox 2: In Detroit, Tim Lincecum, whose solo home run put Boston ahead in the eighth inning, made a two-run throwing error with two outs in the ninth that gave the Tigers the victory.

Indians 5, White Sox 4: In Cleveland, Reggie Jefferson, recalled from the minors two days earlier, had three hits, including a two-run double in the eighth inning.

Royals 7, Yankees 4: In Kansas City, Missouri, George Brett doubled and tripled to raise his career hit total to 2,987. Brett tied Hall of Famer Sam Rice for 18th place on the career list.

Brewers 4, Orioles 1: In Milwaukee, Chris Bosio won his team-record ninth straight game and Milwaukee moved past Baltimore into second place in the AL East by beating the Orioles.

NASDAQ NATIONAL MARKET

OTC Consolidated trading for week ended Friday, Sept. 18.

Table with columns for OTC Consolidated trading, listing various stocks and their prices.

Table with columns for NASDAQ National Market, listing various stocks and their prices.

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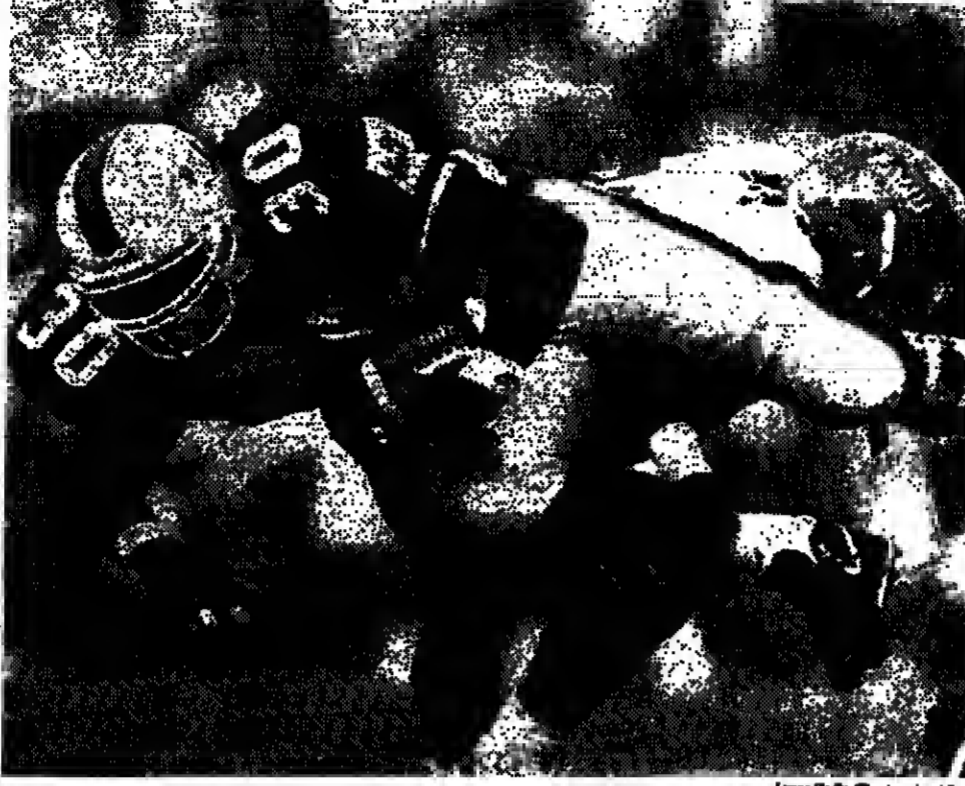


MONDAY SPORTS FOOTBALL

Beyond Football Field, Athletes' Commitment

By William C. Rhoden
NEW YORK — In a matter of weeks after the opening of school, the University of North Carolina has reached a critical juncture in what has become a tense, emotion-filled battle over the construction of a separate black cultural center on campus.

Vantage Point



Fullback Stephen McGee flying through the air for an 8-yard gain for Miami against Florida A&M.

Eagles Rout Broncos As 49ers Trounce Jets

Compiled by Our Staff From Dispatches
Randall Cunningham threw three touchdown passes Sunday in Philadelphia and the Eagles held the Denver Broncos to 82 total yards and four first downs for a 30-0 victory.

Washington Beats Nebraska on Turnovers, 29-14

Compiled by Our Staff From Dispatches
No. 1 Washington and No. 12 Nebraska continued streaking in opposite directions. The Huskies scored two touchdowns in 42 seconds just before halftime and capitalized on three turnovers to beat the Cornhuskers, 29-14, on Saturday night in Seattle.

Washington rushed for two touchdowns and Marvin Goodwin stopped a late drive with an interception for UCLA in Provo, Utah.
No. 19 Georgia 56, Cal State-Fullerton 9: In Athens, Georgia, Garrison Hearst scored four touchdowns, including three in the second quarter for Georgia. Hearst highlighted Georgia's 28-point second quarter with touchdown runs of 5, 16 and 7 yards.

COLLEGE FOOTBALL

First Bout In China Is Called Off

NEW YORK — The first professional championship boxing match to be held in China has been called off by the promoter, Bob Arum, amid reports that the fight's promotion was linked to a financial scandal.

SIDELINES

Mitsubishi Wins 15th Stage of Rally

SHANSHAN, China (AP) — Mitsubishi took the first three places Sunday in the 15th and most scenic stage of the Paris-Beijing Rally.

Another Disappointment for Arazzi

PARIS (Reuters) — Arazzi flopped again on Sunday, but may still bid for next month's Breeders' Cup in Florida.

Napoli Declines to Meet on Maradona

NAPLES, Italy (AFP) — Napoli has declined to attend a meeting Monday with FC Sevilla aimed at resolving the transfer wrangle over Diego Maradona, the Italian soccer club announced on Sunday.

For the Record

Unbeaten Chris Eubank of Britain drained the punching power from challenger Tony Thornton of the United States on Saturday in Glasgow and won a unanimous decision to retain his World Boxing Organization super-middleweight title.

Lindros Debuts With Flyers

By Joe Lapointe
NEW YORK TIMES SERVICE
PHILADELPHIA — The National Hockey League, which survived 75 seasons without him, has presented its first Eric Lindros Show in an exhibition match between the team he rejected and the team he accepted after forcing a trade.

Medvedev Shuts Down Bruguera

The Associated Press
BORDEAUX — Andrei Medvedev of Ukraine won his third tournament of the year on Sunday, beating Sergi Bruguera of Spain, 6-3, 6-2, in the Bordeaux clay-court tournament.

Valvano Vows to Win His Cancer 'Battle'

United Press International
NEW YORK — Jim Valvano, who coached North Carolina State to a National Collegiate Athletic Association basketball championship in 1983, has vowed a long public silence about his cancer fight, ending a "win this latest battle."

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